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**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED

APR 26 2005

FORM 3

AMENDED REPORT ☐  
DIV. OF OIL, GAS & MINING (No changes)

**APPLICATION FOR PERMIT TO DRILL**

|  |  |   |   |
|--|--|---|---|
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>   |  | 5. MINERAL LEASE NO:<br>ML-49275                                    | 6. SURFACE:<br>Federal                              |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> |  | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME:                               |   |
| 2. NAME OF OPERATOR:<br>The Houston Exploration Company  |  | 8. UNIT or CA AGREEMENT NAME:                                       |   |
| 3. ADDRESS OF OPERATOR:<br>1100 Louisiana, Suite 200 City Houston STATE TX ZIP 77002   |  | PHONE NUMBER:<br>(713) 830-6800                                     | 9. WELL NAME and NUMBER:<br>Seep Springs 8-13-12-24 |
| 4. LOCATION OF WELL (FOOTAGES)<br>AT SURFACE: 1969' FNL & 642' FEL<br>AT PROPOSED PRODUCING ZONE: same as above  |  | 10. FIELD AND POOL, OR WILDCAT:<br>Undesignated                     |   |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>64.7 miles South of Vernal, UT  |  | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>SENE 13 12S 24E |   |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>642'  | 16. NUMBER OF ACRES IN LEASE:<br>400               | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>40                    |   |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>1500' +/-   | 19. PROPOSED DEPTH:<br>5,445                       | 20. BOND DESCRIPTION:<br>104155044                                  |   |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br>5262.9 GR   | 22. APPROXIMATE DATE WORK WILL START:<br>5/15/2005 | 23. ESTIMATED DURATION:<br>30 Days                                  |   |

**PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |
|--------------|---|---------------|---|
| 11"          | 8 5/8" J-55 36#                         | 2,000         | Premium Lite II 250 SKS 3.38 CF 11.0 PPG        |
|              |   |               | Class "G" 329 SKS 1.2 CF 15.6 PPG               |
|              |   |               | Calcuim Chloride 200 SKS 1.10 CF 15.6 PPG       |
| 7 7/8"       | 4 1/2" N-80 11.6#                       | 5,485         | Premium Lite II 200 SKS 3.3 CF 11.0 PPG         |
|              |   |               | Class "G" 400 SKS 1.56 CF 14.3 PPG              |
|              |   |               |   |
|              |   |               |   |

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) William A RyanTITLE Agent

SIGNATURE \_\_\_\_\_

DATE 4/20/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36632

**Approved by the**  
**Utah Division of**  
**Oil, Gas and Mining**

Date: 05-09-05By: [Signature]**CONFIDENTIAL**

Federal Approval of this  
Action is Necessary

T12S, R24E, S.L.B.&M.

S89°49'31"W - 5271.03' (Meas.)

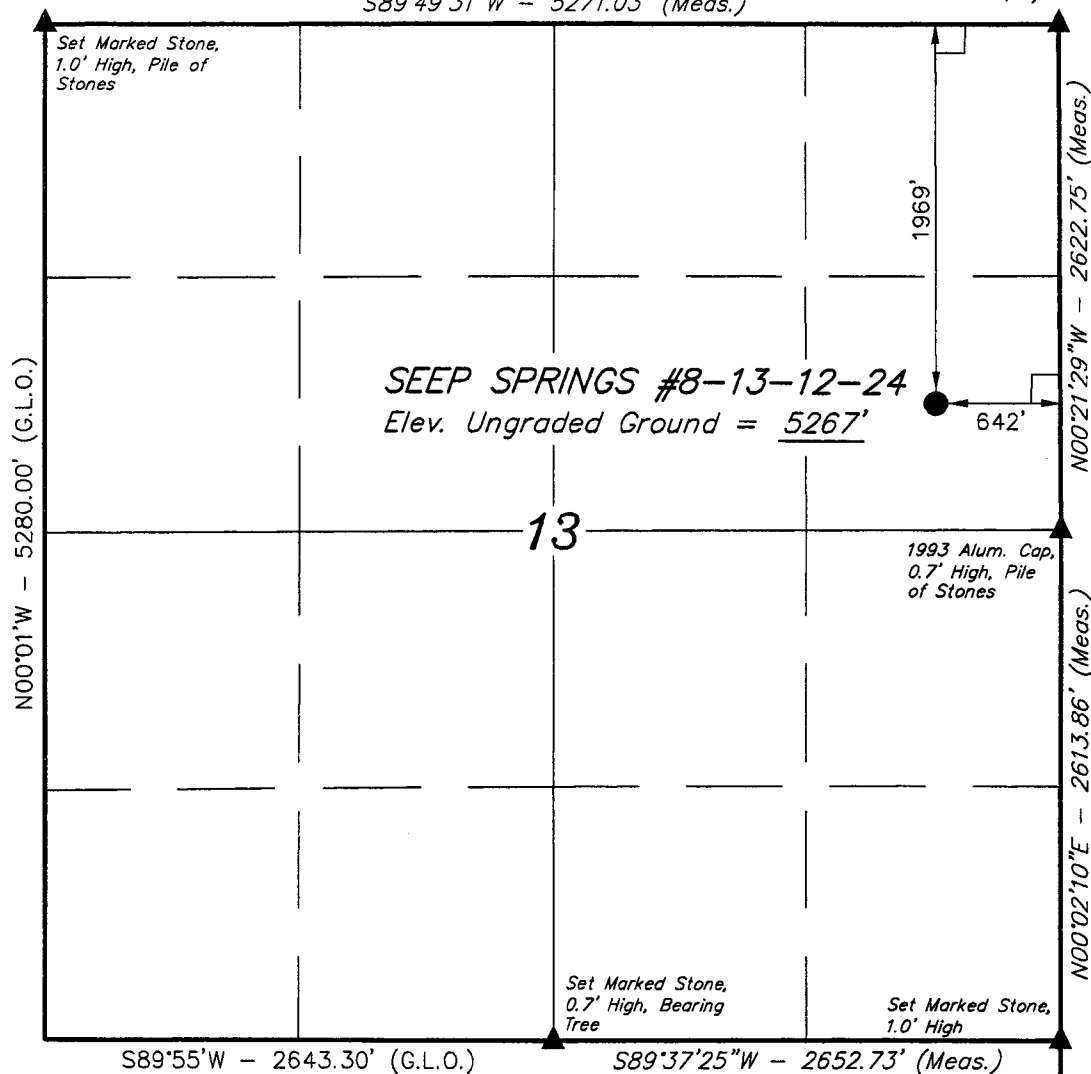
Set Marked Stone,  
1.1' High, Pile of  
Stones, 5/8" Rebar

## THE HOUSTON EXPLORATION COMPANY

Well location, SEEP SPRINGS #8-13-12-24,  
located as shown in the SE 1/4 NE 1/4 of  
Section 13, T12S, R24E, S.L.B.&M. Uintah  
County, Utah.

### BASIS OF ELEVATION

RAINBOW TRIANGULATION STATION LOCATED IN THE NW 1/4  
OF SECTION 25, T11S, R24E, S.L.B.&M. TAKEN FROM THE  
RAINBOW QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE  
SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED  
STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY.  
SAID ELEVATION IS MARKED AS BEING 6330 FEET.



### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 39°46'36.99" (39.776942)

LONGITUDE = 109°10'20.96" (109.172489)

(AUTONOMOUS NAD 27)

LATITUDE = 39°46'37.10" (39.776972)

LONGITUDE = 109°10'18.55" (109.171819)

### LEGEND:

└─ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM  
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY  
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE  
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 181319  
STATE OF UTAH

### UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

|                         |   |                         |
|-------------------------|---|-------------------------|
| SCALE<br>1" = 1000'     | DATE SURVEYED:<br>03-21-05              | DATE DRAWN:<br>03-22-05 |
| PARTY<br>A.F. B.G. P.M. | REFERENCES<br>G.L.O. PLAT               |                         |
| WEATHER<br>COLD         | FILE<br>THE HOUSTON EXPLORATION COMPANY |                         |

The Houston Exploration Company  
1100 Louisiana, Suite 2000  
Houston, TX 77002  
713-830-6800

Please hold all information associated with this Application for Permit to Drill and all associated logs confidential for a minimum of six (6) months.

**Ten Point Plan****The Houston Exploration Company****Seep Springs 8-13-12-24****Surface Location SE ¼ NE ¼, Section 13, T. 12S., R. 24E.****1. Surface Formation**

Green River

**2. Estimated Formation Tops and Datum:**

| <u>Formation</u>        | <u>Depth</u> | <u>Datum</u>  |
|-------------------------|--------------|---------------|
| Green River             | Surface      | + 5,263' G.L. |
| Uteland Butte Limestone | 1,670        | + 3,593'      |
| Wasatch                 | 1,750        | + 3,513'      |
| Mesaverda               | 3,150        | + 2,113'      |
| Castlegate              | 4,990        | + 273'        |
| Mancos                  | 5,390        | - 127'        |
| TD                      | 5,445        | - 182'        |

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

**3. Producing Formation Depth:**

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information

Off set well:

Permitted/Drilled:

Seep Springs #1-13-12-24

Seep Springs #7-13-12-24

Seep Springs #10-13-12-24

Seep Springs #16-13-12-24

Seep Springs #2-13-12-24

Seep Springs #9-13-12-24

Seep Springs #15-13-12-24

#### 4. Proposed Casing:

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Coupling &amp; Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|------------------|--------------------|------------------|--------------|-----------------------------|---------------------|-----------------|
| 11               | 8 5/8              | 36#              | J-55         | STC                         | 2000                | NEW             |
| 7 7/8            | 4 1/2              | 11.6#            | N-80         | LTC                         | T.D.                | NEW             |

#### Cement Program:

The Surface Casing will be cemented to the Surface as follows:

|          | <u>Casing Size</u> | <u>Cement Type</u>   | <u>Cement Amounts</u> | <u>Cement Yield</u>     | <u>Cement Weight</u> |
|----------|--------------------|--|-----------------------|-------------------------|----------------------|
| Lead:    | 8 5/8              | Primium Lite II<br>.05#/sk Static Free<br>.25#/sk Cello Flake<br>5#/sk KOL Seal<br>.002 gps FP-6L<br>10% Bentonite<br>.5% Sodium Metasilicate<br>3% Potassium Chloride | 250 sks. +/-          | 3.38ft <sup>3</sup> /sk | 11.0 ppg             |
| Tail:    | 8 5/8              | Class "G"<br>2% Calcium Chloride<br>.25#/sk Cello Flake  | 329 sks. +/-          | 1.2ft <sup>3</sup> /sk  | 15.6 ppg             |
| Top Job: | 8 5/8              | 4% Calcium Chloride<br>.25#/sk Cello Flake   | 200 sks. +/-          | 1.10ft <sup>3</sup> /sk | 15.6 ppg             |

Production casing will be cemented to 2,500' or higher as follows:

|       | <u>Casing<br/>Size</u> | <u>Cement<br/>Type</u>   | <u>Cement<br/>Amounts</u> | <u>Cement<br/>Yield</u> | <u>Cement<br/>Weight</u> |
|-------|------------------------|--|---------------------------|-------------------------|--------------------------|
| Lead: |                        |  |                           |                         |                          |
|       | 4 1/2                  | Primum Lite II<br>.25#/sk Cello Flake<br>.05#/sk Static Free<br>5#/sk Kol Seal<br>3% Potassium Chloride<br>.055 gps FP-6L<br>10% Bentonite<br>.5 Sodium Metasilicate | 200 sks +/-               | 3.3ft <sup>3</sup> /sk  | 11.0 ppg                 |
| Tail: |                        |  |                           |                         |                          |
|       | 4 1/2                  | Class "G"<br>.05% Static Free<br>2 Sodium Chloride<br>.1% R-3<br>2% Bentonite  | 400 sks +/-               | 1.56ft <sup>3</sup> /sk | 14.3 ppg                 |

##### **5. BOP and Pressure Containment Data:**

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

## 6. Mud Program:

| <u>Interval</u> | <u>Mud weight<br/>lbs./gal.</u> | <u>Viscosity<br/>Sec./OT.</u> | <u>Fluid Loss<br/>Ml/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000          | Air/Clear Water                 | -----                         | No Control                        | Water/Gel       |
| 2000-T.D.       | 8.4-12.0                        | 30                            | 8-10                              | Water/Gel       |

## 7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

## 8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging: 

|                      |                   |
|----------------------|-------------------|
| Type                 | Interval          |
| DLL/SFL W/GR and SP  | T.D. to Surf. Csg |
| FDC/CNL W/GR and CAL | T.D. to Surf. Csg |

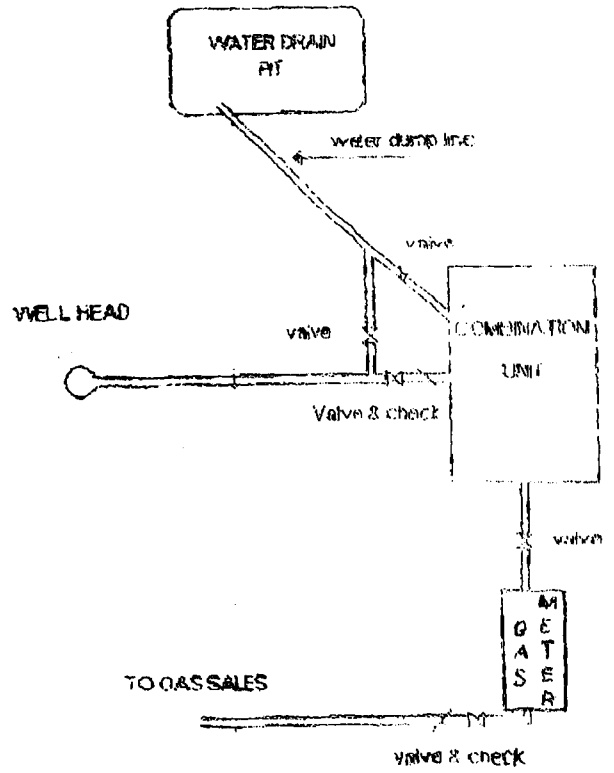
## 9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

## 10. Drilling Schedule:

The anticipated starting date is 05/15/2005. Duration of operations is expected to be 30 days.

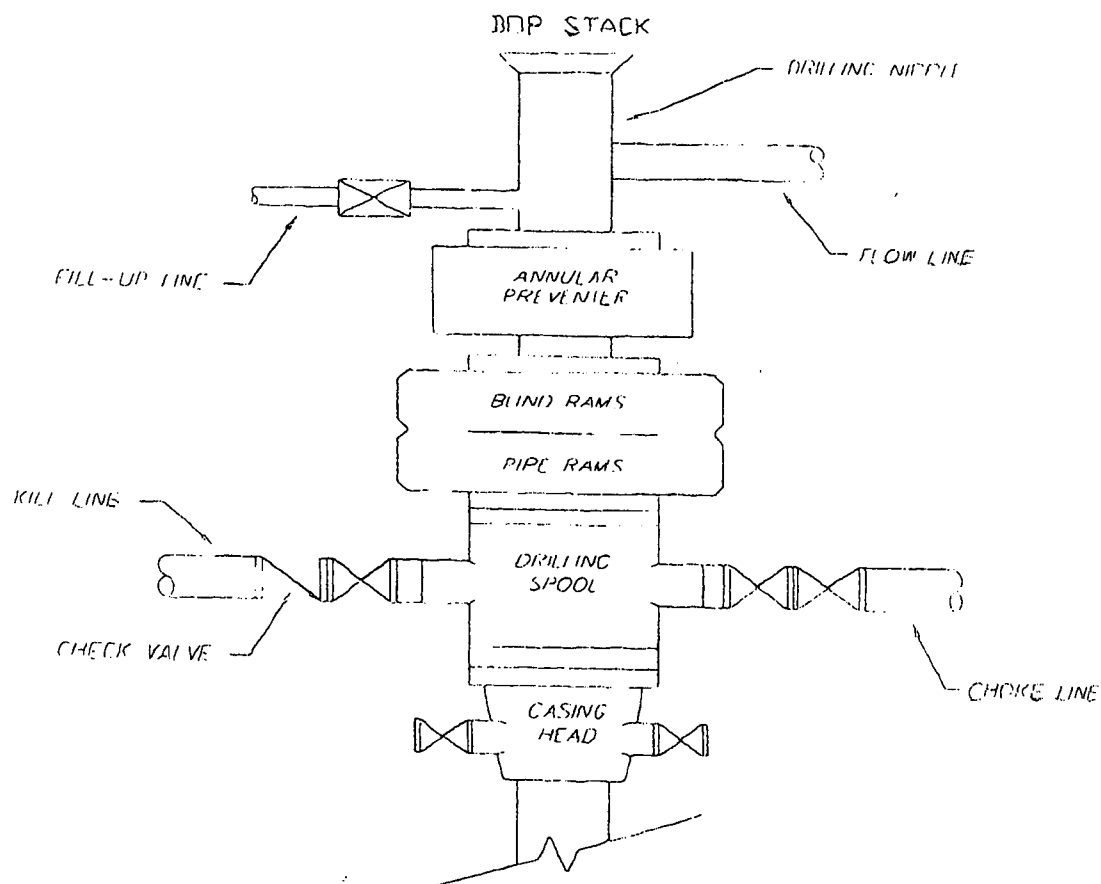
TYPICAL  
GAS WELL



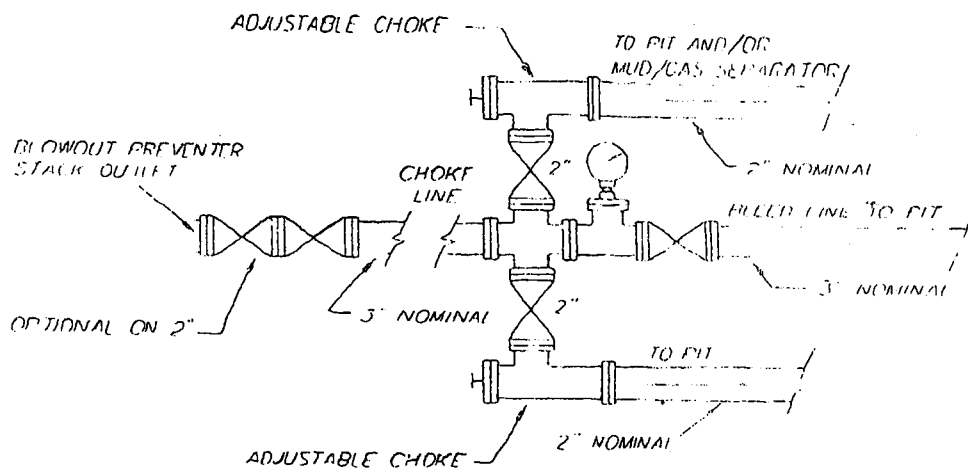


# THE HOUSTON EXPLORATION COMPANY

## TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



## TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



**THE HOUSTON EXPLORATION COMPANY**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**SEEP SPRINGS 8-13-12-24**

**LOCATED IN SE  $\frac{1}{4}$  NE  $\frac{1}{4}$**

**SECTION 13, T. 12S, R24E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: ML-49275**

**SURFACE OWNERSHIP: FEDERAL**

1. Existing Roads:

**To reach The Houston Exploration Co well Seep Springs #8-13-12-24 in Section 13, T12S, R 24E, starting in Vernal, Utah.**

**Proceed in a easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of State Highway 45; exit right and proceed in a southerly, direction approximately 41.5 miles on paved State Highway 45 to the junction of this road and gravel State Highway 45 to southeast; turn left and proceed in an southeasterly direction, approximately 3.8 miles to the junction of this road and State Highway 207 to the southwest; turn right and proceed in a southeasterly direction approximately 8.4 miles to the junction of this road and an existing road to the southeast; turn left and proceed in a southeasterly direction approximately 1.4 miles to the junction of this road and an existing road to the southeast; turn left and proceed in a southeasterly direction approximately 3.6 miles to the junction of this road and an existing two-track road to the southwest; turn right and proceed in a southwesterly direction approximately 1.1 miles to the beginning of the proposed access for the 1-13 to the southeast; follow road flags in an easterly direction approximately 0.25 miles to the proposed 1-13 and the beginning of the proposed access to the east; follow road flags in an**

**easterly, then southwesterly direction approximately 0.5 miles to the proposed location.**

Total distance from Vernal, Utah to the proposed well location is approximately **64.7 miles.**

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

**The proposed access road will be approximately 2,640' +/- of new construction on lease. The road will be graded once per year minimum and maintained.**

|                                  |                 |
|----------------------------------|-----------------|
| A) Approximate length            | 2640 ft         |
| B) Right of Way width            | 30 ft           |
| C) Running surface               | 18 ft           |
| D) Surface material              | Native soil     |
| E) Maximum grade                 | 5%              |
| F) Fence crossing                | None            |
| G) Culvert                       | None            |
| H) Turnouts                      | None            |
| I) Major cuts and fills          | None            |
| J) Road Flagged                  | Yes             |
| K) Access road surface ownership | State & Federal |
| L) All new construction on lease | Yes             |
| M) Pipe line crossing            | None            |

Please see the attached location plat for additional details.

**An off lease right of way will not be required.**

All surface disturbances for the road and location will not be within the lease boundary.

### 3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

|                                   |      |
|-----------------------------------|------|
| A) Producing well                 | None |
| B) Water well                     | None |
| C) Abandoned well                 | None |
| D) Temp. abandoned well           | None |
| E) Disposal well                  | None |
| F) Drilling /Permitted well       |      |
| Seep Springs 1-13-12-24           |      |
| Seep Springs 2-13-12-24           |      |
| Seep Springs 7-13-12-24           |      |
| Seep Springs 9-13-12-24           |      |
| Seep Springs 10-13-12-24          |      |
| Seep Springs 15-13-12-24          |      |
| Seep Springs 16-13-12-24          |      |
| G) Shut in wells                  | None |
| H) Injection well                 | None |
| I) Monitoring or observation well | None |

Please see the attached map for additional details.

### 4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a Desert Tan color. Facilities required to comply with

O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Desert Tan.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

**Approximately 1,950' +/- of 3" gathering line would be constructed on State and Federal Lands. The line would tie into the existing pipeline in Sec. 13, T12S, R24E. The line will be strung and boomed to the south and east of the location cross country.**

**An off lease right of way will be required for approximately 700'.**

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter.

Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter.

The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from the White River at Saddle Tree Draw, Permit # T-75514.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

|                         |                |
|-------------------------|----------------|
| A) Pad length           | 345 ft.        |
| B) Pad width            | 210 ft.        |
| C) Pit depth            | 12 ft.         |
| D) Pit length           | 150 ft.        |
| E) Pit width            | 75 ft.         |
| F) Max cut              | 24.1 ft.       |
| G) Max fill             | 19.1 ft.       |
| H) Total cut yds.       | 15,190 cu yds. |
| I) Pit location         | west side      |
| J) Top soil location    | north end      |
| K) Access road location | south end      |
| L) Flare Pit            | corner C       |

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

A) Thirty nine inch net wire shall

be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,690 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been

completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

**To be determined by the  
Authorized Officer.**

11. Surface ownership:

|                    |                            |
|--------------------|----------------------------|
| <b>Access road</b> | <b>State &amp; Federal</b> |
| <b>Location</b>    | <b>Federal</b>             |
| <b>Pipe line</b>   | <b>Federal</b>             |

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush, and Indian Rice grass and Sagebrush are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

**The nearest water is the White River located 12 miles to the North.**

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction  
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion  
Prior to moving on the drilling rig.

- c) Spud notice  
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing  
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests  
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice  
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit outside the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan  
290 S 800 E  
Rocky Mountain Consulting  
Vernal, UT 84078

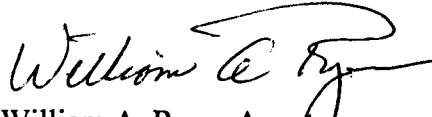
Office 435-789-0968  
Fax 435-789-0970



Cellular 435-828-0968

Date 4/20/05

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

  
William A. Ryan, Agent  
Rocky Mountain Consulting

Onsite Dates:

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

**B) Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

### **Statement of use of Hazardous Materials**

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan  
Agent for The Houston Exploration Company  
Rocky Mountain Consulting  
290 S 800 E  
Vernal, UT 84078

435-789-0968 Office  
435-828-0968 Cell  
435-789-0970 Fax

# THE HOUSTON EXPLORATION COMPANY

SEEP SPRINGS #8-13-12-24

LOCATED IN UINTAH COUNTY, UTAH

SECTION 13, T12S, R24E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS FOR THE #2-13

CAMERA ANGLE: NORTHERLY



Since 1964

**E&L**  
**S**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

435-789-1017 uels@uclsinc.com

LOCATION PHOTOS

03  
MONTH

21  
DAY

05  
YEAR

PHOTO

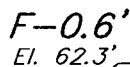
TAKEN BY: B.B.

DRAWN BY: C.P.

REVISED: 04-18-05

**FIGURE #1**

1969' FNL 642' FEL



*F-19.1'*  
*El. 43.8'*

Sta. 3+45

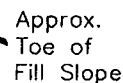
Drawn By: P.M.

C-0.1'  
El. 63.0'

*F-3.1'*  
*El. 59.8'*

*Round Corners  
as needed*

Flare Pit is to be located  
a min. of 100' from the  
Well Head.



Sta. 0+00

$F-7.5'$   
El. 55.4'

*Proposed Access  
Road*

Elev. Ungraded Ground At Loc. Stake = 5267.3'

FINISHED GRADE ELEV. AT LOC. STAKE = 5262.9'

Approx.  
Top of  
Cut Slope

85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

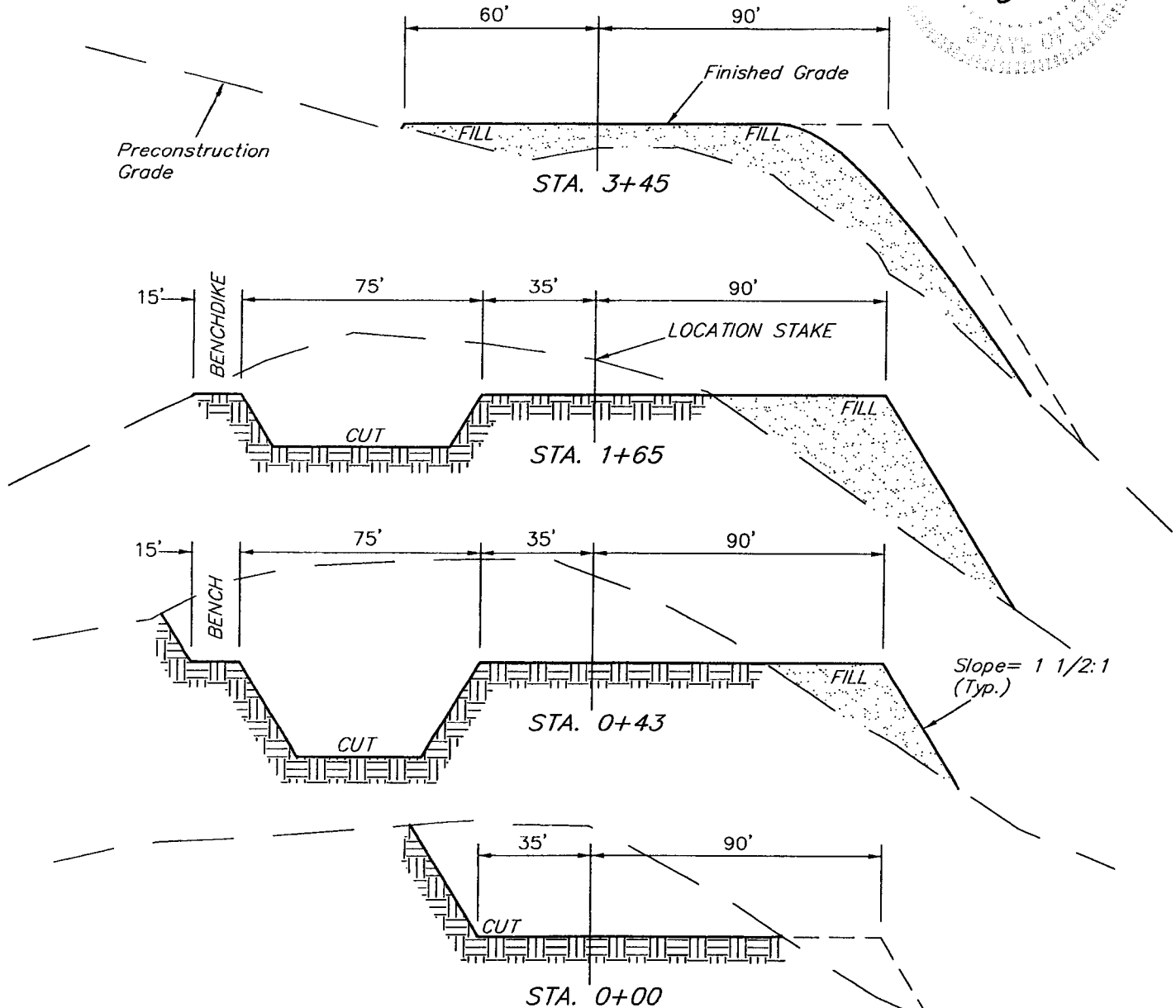
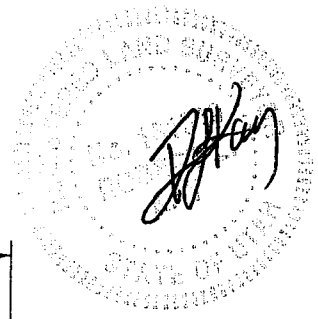
# THE HOUSTON EXPLORATION COMPANY

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
SEEP SPRINGS #8-13-12-24  
SECTION 13, T12S, R24E, S.L.B.&M.  
1969' FNL 642' FEL

1" = 20'  
X-Section  
Scale  
1" = 50'

DATE: 03-22-05  
Drawn By: P.M.



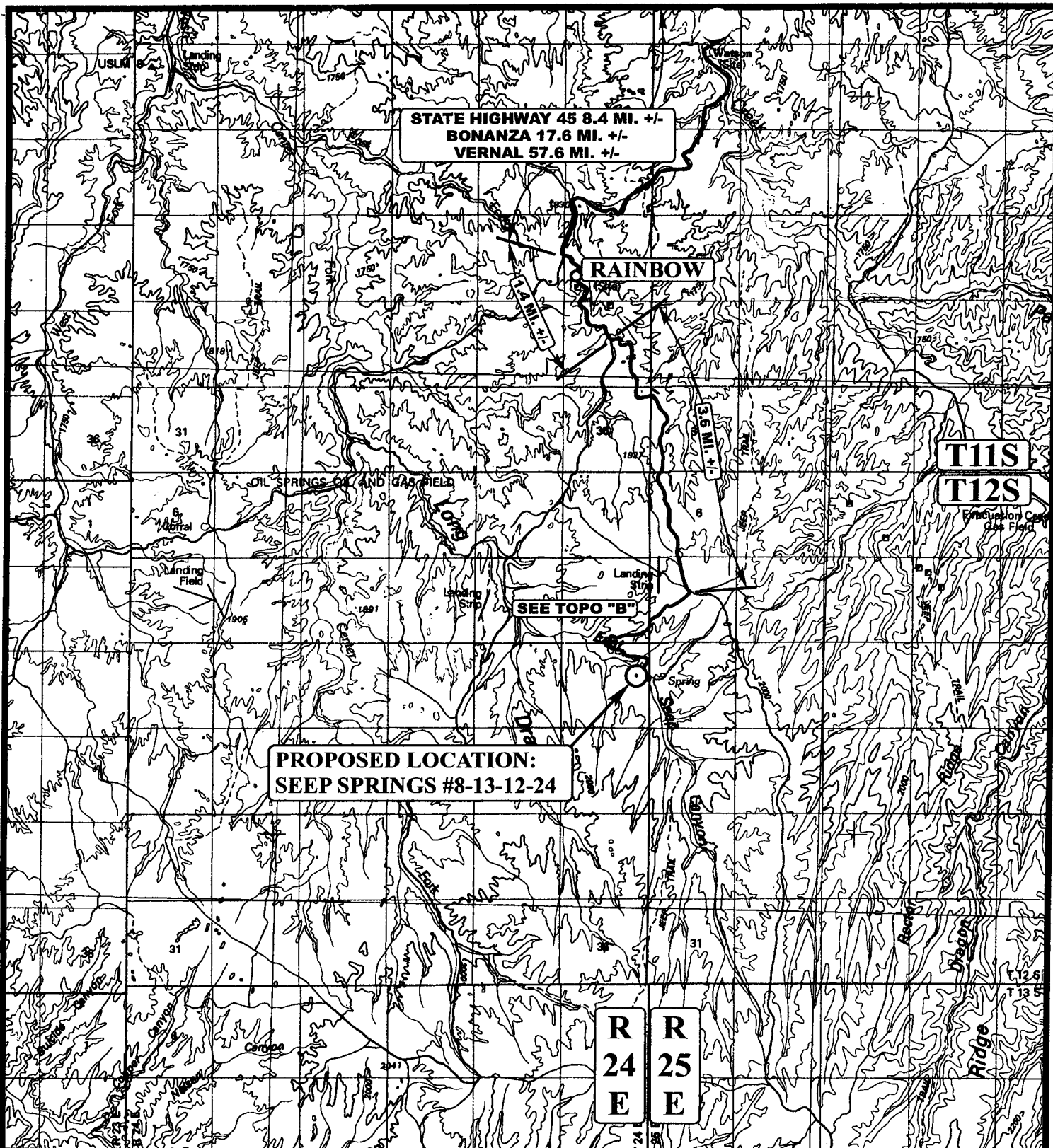
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

## APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 1,690 Cu. Yds.  
Remaining Location = 13,500 Cu. Yds.  
  
TOTAL CUT = 15,190 CU.YDS.  
FILL = 11,800 CU.YDS.

EXCESS MATERIAL = 3,390 Cu. Yds.  
Topsoil & Pit Backfill  
(1/2 Pit Vol.) = 3,390 Cu. Yds.  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



# **LEGEND:**

○ PROPOSED LOCATION

N

## **THE HOUSTON EXPLORATION COMPANY**

SEEP SPRINGS #8-13-12-24  
SECTION 13, T12S, R24E, S.L.B.&M.  
1969' FNL 642' FEL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

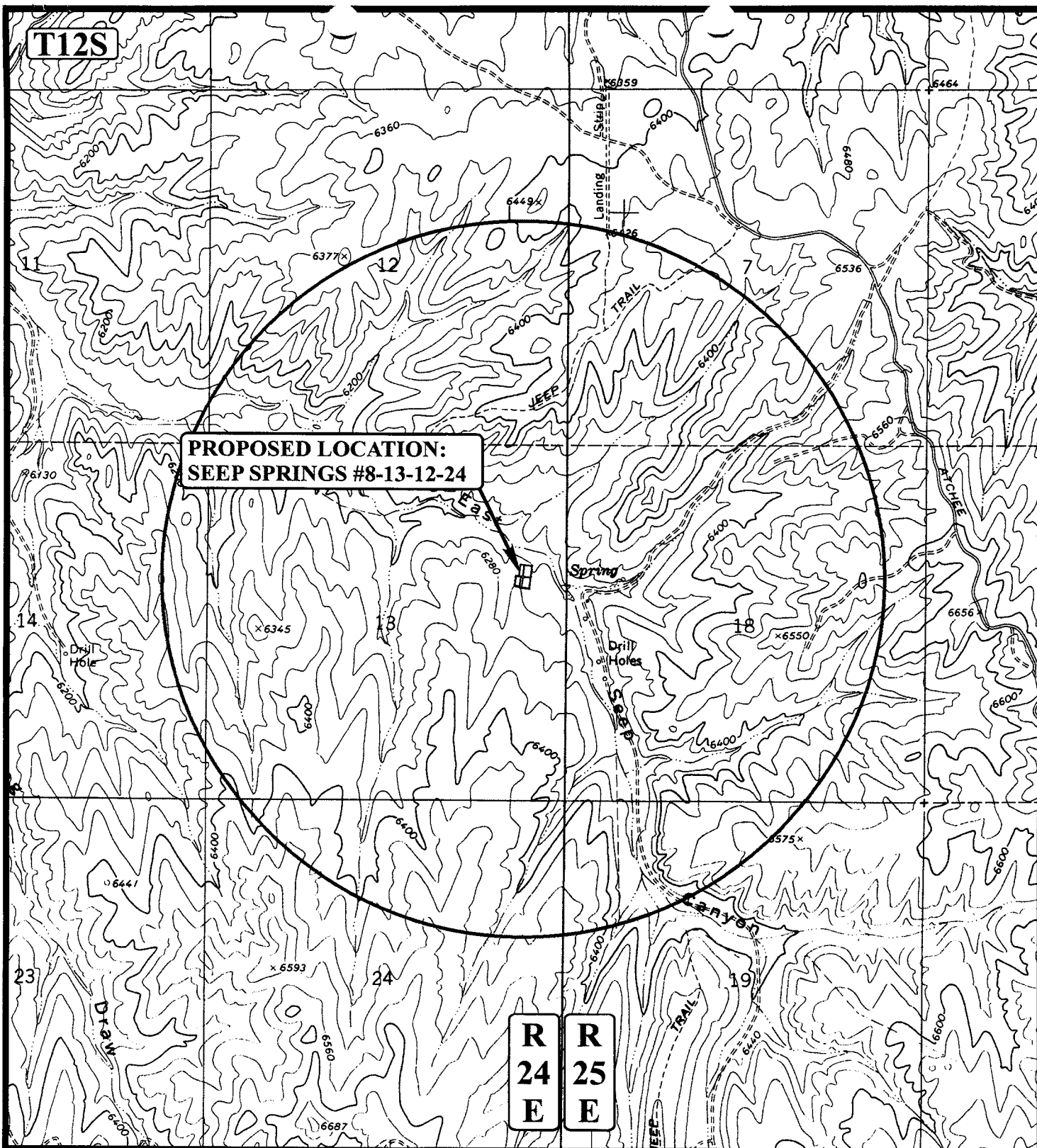
TOPOGRAPHIC  
MAP

03 21 05  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 04-18-05







# **LEGEND:**

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

## **THE HOUSTON EXPLORATION COMPANY**

**SEEP SPRINGS #8-13-12-24**  
**SECTION 13, T12S, R24E, S.L.B.&M.**  
**1969' FNL 642' FEL**



**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



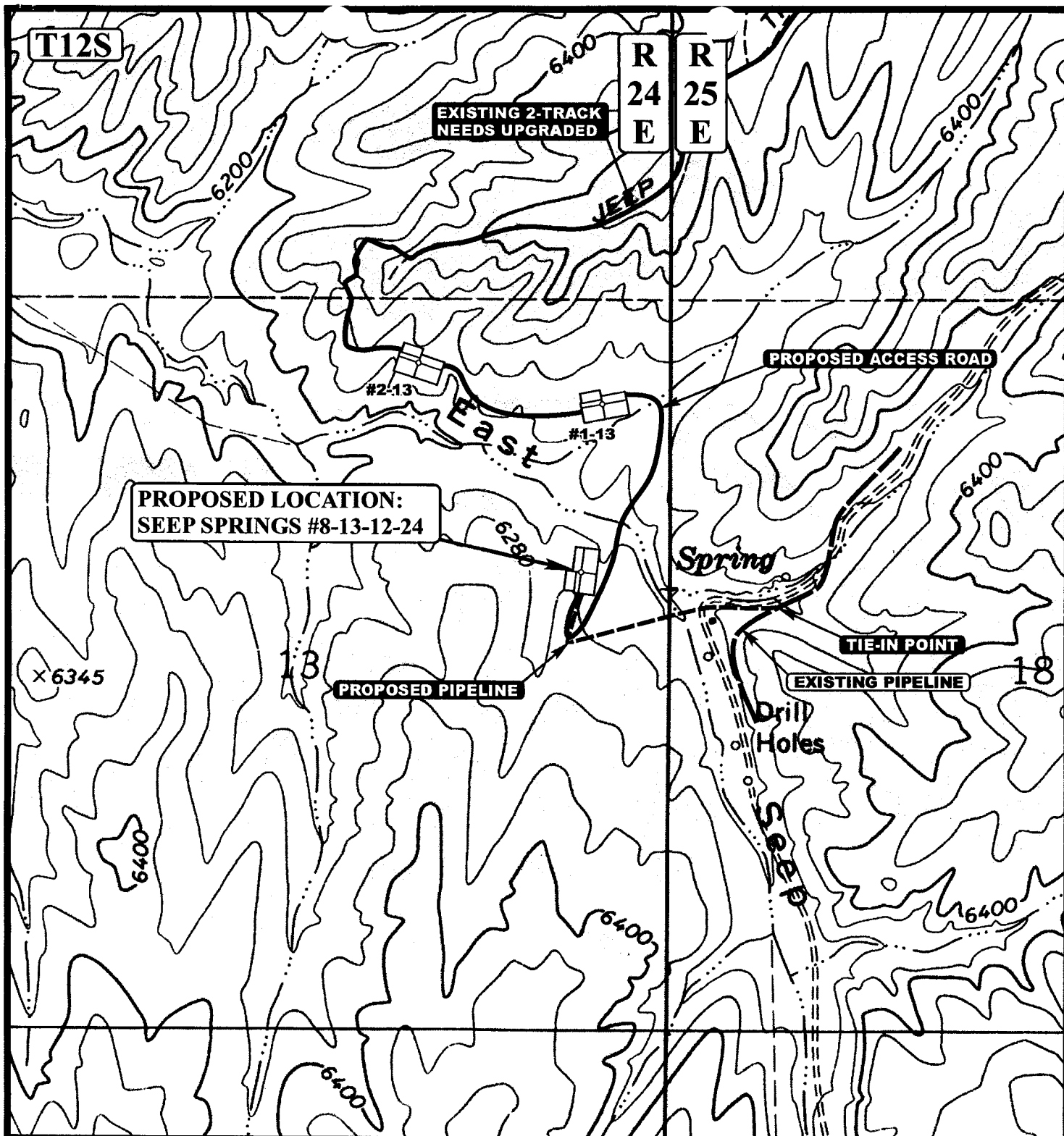
**TOPOGRAPHIC  
MAP**

**03 21 05**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00

**C  
TOPO**





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,950' +/-

#### LEGEND:

|  |   |
|--|---|
|  | PROPOSED ACCESS ROAD                      |
|  | EXISTING 2-TRACK NEEDS UPGRADED           |
|  | PROPOSED PIPELINE                         |
|  | PROPOSED PIPELINE (SERVICING OTHER WELLS) |



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



#### THE HOUSTON EXPLORATION COMPANY

**SEEP SPRINGS #8-13-12-24**  
**SECTION 13, T12S, R24E, S.L.B.&M.**  
**1969' FNL 642' FEL**

**TOPOGRAPHIC** 03 21 05  
**MAP** MONTH DAY YEAR  
SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 04-18-05



**APPLICATION FOR TRANSPORTATION AND  
UTILITY SYSTEMS AND FACILITIES  
ON FEDERAL LANDS**

FORM APPROVED  
OMB NO. 1004-0060  
Expires: December 31, 2001

**FOR AGENCY USE ONLY**

**NOTE:** Before completing and file application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with help of the representative, the application can be completed at the application meeting.

Application Number

Date Filed

1 Name and address of the applicant (include Zip code)

**The Houston Exploration Company  
1100 Louisiana Suite 2000  
Houston, TX 77002**

2 Name, title, and address of authorized agent if different from item 1 (include zip code)

**William A Ryan  
290 S 800 E  
Vernal, UT 84078**

3 TELEPHONE (area code)

Applicant  
713-830-6800

Authorized Agent  
435-789-0968

4

- a ☐ Individual  
b ☒ Corporation\*  
c ☐ Partnership/Association\*  
d ☐ State Government/State Agency  
e ☐ Local Government  
f ☐ Federal Agency

**RECEIVED**  
**APR 26 2005**  
DIV. OF OIL, GAS & MINING

\* If checked complete supplemental page

6 If an individual, or partnership are you a citizen(s) of the United States?

7 Project description (describe in detail): (a) Type of system or facility, e.g., canal, pipeline, road; (b) related structures and facilities; (c) physical specifications (length, width, grade, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of production to be transported; (g) duration and time of construction; and (h) temporary work area needed for construction (Attach additional sheets, if additional space is needed.)

- a. Application for Right-of-Way for pipeline, access road and location for Seep Springs 8-13-12-24**  
**b. Please see the attached APD**  
**c. Please see the attached APD**  
**d. Please see the attached APD**  
**e. year round .**  
**f. Please see the attached APD**  
**g. Please see the attached APD**  
**h. none.**

8 Attach a map covering area and show location of proposal

9 State or Local government approval ☐ Attached ☒ Applied for ☐ Not Required

10 Nonreturnable application fee: ☒ Attached ☐ Not Required

11 Does Project cross international or affect international waterways? ☐ Yes ☒ No

12 Give statement of your technical and financial capability to conduct, operate, maintain, and terminate system for which authorization is being requested  
**The Houston Exploration Company has conducted operations on Federal Lands for more than ten years**  
**The Houston Exploration Company has constructed numerous well locations with the BLM, Vernal Field Office. The Houston Exploration Company has the financial capability to construct, maintain, and operate the proposed access road, pipeline and location.**

13 a Describe other reasonable alternative routes and alternatives considered.

**None were considered.**

b Why were these alternatives not selected

**Please see the attached APD.**

c Give explanation as to why it is necessary to cross Federal Lands.

**To access State minerals located below Federal Surface.**

14 List authorization and pending application filed for similar projects which may provide information to authorizing agency. (specify number, date, code, or name)

**An Application for Permit to Drill has been filed with the State of Utah Division of Oil, Gas and Mining. Seep Springs 8-13-12-24**

15 Provide statement of need for project, including the economic feasibility and items as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

**Please see the attached APD**

**Please see the attached APD**

16 Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

**There will be no significant impacts on the areas population, social or economic aspects or the rural lifestyle from the proposed project.**

17 Describe likely environmental effects project will have on: (a) air quality; (b) visual impacts; (c) surface and ground water quality and Quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land including vegetation, permafrost, soil, and soil stability.

**a. minimal**

**d. no change**

**b. minimal**

**e. minimal**

**c. minimal**

**f. minimal**

18 Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

**a. There will be little or no impacts on fish, plantlife, wildlife, and threatened and endangered species**

**b. NA**

19 State whether any hazardous material, as defined in this paragraph, will be used, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous Material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous material also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or described as a hazardous substance, under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

**Please see the attached APD.**

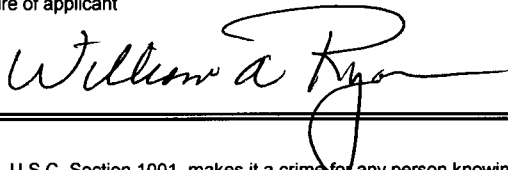
20 Name all the Department(s)/Agency(ies) where this application is being filed.

**Bureau of Land Management, Vernal Field Office. Vernal, UT**

**Cc: Utah Division of Oil, Gas and Mining.**

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of applicant



Date

**4/20/2005**

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/26/2005

API NO. ASSIGNED: 43-047-36632

WELL NAME: SEEP SPRINGS 8-13-12-24

OPERATOR: HOUSTON EXPLORATION CO, ( N2525 )

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

## PROPOSED LOCATION:

SENE 13 120S 240E

SURFACE: 1969 FNL 0642 FEL

BOTTOM: 1969 FNL 0642 FEL

UINTAH

UNDESIGNATED ( 2 )

LEASE TYPE: 3 - State

LEASE NUMBER: ML-49275

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date   |
|-------------|----------|--------|
| Engineering | DRD      | 5/9/05 |
| Geology     |          |        |
| Surface     |          |        |

LATITUDE: 39.77692

LONGITUDE: -109.1718

## RECEIVED AND/OR REVIEWED:

☒ Plat☒ Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 104155044 )☒ Potash (Y/N)☒ Oil Shale 190-5 (B) or 190-3 or 190-13☒ Water Permit

(No. T75514 )

☒ RDCC Review (Y/N)

(Date: )

☒ Fee Surf Agreement (Y/N)

## LOCATION AND SITING:

\_\_\_ R649-2-3.

Unit \_\_\_\_\_

☒ R649-3-2. General

Siting: 460' From Qtr/Qtr &amp; 920' Between Wells

\_\_\_ R649-3-3. Exception

\_\_\_ Drilling Unit

Board Cause No: \_\_\_\_\_

Eff Date: \_\_\_\_\_

Siting: \_\_\_\_\_

\_\_\_ R649-3-11. Directional Drill

## COMMENTS:

## STIPULATIONS:

1- Federal Approval  
 2- Spacing Strip  
 3- STATEMENT OF BASIS



OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC: 13 T. 12S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: UTAH

SPACING: R649-3-2 / GENERAL SITING



#### Wells

- ✱ GAS INJECTION
- ✱ GAS STORAGE
- ✱ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⊕ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✱ TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ▲ WATER SUPPLY
- ▲ WATER DISPOSAL

#### Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

#### Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
DATE: 29-APRIL-2005

Well name:

**05-05 Houston Seep Springs 8-13-12-24**

Operator:

**The Houston Exploration Company**

String type:

Surface

Project ID:

43-047-36632

Location:

Uintah County

**Design parameters:****Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 93 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface  
pressure: 1,760 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,000 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 1,749 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,485 ft  
Next mud weight: 10.000 ppg  
Next setting BHP: 2,849 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 2,000 ft  
Injection pressure 2,000 psi

| Run<br>Seq | Segment<br>Length<br>(ft) | Size<br>(in)                  | Nominal<br>Weight<br>(lbs/ft) | Grade                  | End<br>Finish              | True Vert<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Drift<br>Diameter<br>(in)     | Internal<br>Capacity<br>(ft³) |
|------------|---------------------------|-------------------------------|-------------------------------|------------------------|----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| 1          | 2000                      | 8.625                         | 36.00                         | J-55                   | ST&C                       | 2000                       | 2000                      | 7.7                           | 143.6                         |
| Run<br>Seq | Collapse<br>Load<br>(psi) | Collapse<br>Strength<br>(psi) | Collapse<br>Design<br>Factor  | Burst<br>Load<br>(psi) | Burst<br>Strength<br>(psi) | Burst<br>Design<br>Factor  | Tension<br>Load<br>(Kips) | Tension<br>Strength<br>(Kips) | Tension<br>Design<br>Factor   |
| 1          | 873                       | 3450                          | 3.953                         | 2000                   | 4460                       | 2.23                       | 63                        | 434                           | 6.89 J                        |

Prepared Clinton Dworshak  
by: Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 810-359-3940

Date: May 2, 2005  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

**05-05 Houston Seep Springs 8-13-12-24**Operator: **The Houston Exploration Company**String type: **Production**

Project ID:

**43-047-36632**Location: **Uintah County****Design parameters:****Collapse**Mud weight: 10.000 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 142 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 1,674 ft

**Burst**Max anticipated surface  
pressure: 2,191 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,849 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 4,665 ft

| Run<br>Seq | Segment<br>Length<br>(ft) | Size<br>(in)                  | Nominal<br>Weight<br>(lbs/ft) | Grade                  | End<br>Finish              | True Vert<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Drift<br>Diameter<br>(in)     | Internal<br>Capacity<br>(ft³) |
|------------|---------------------------|-------------------------------|-------------------------------|------------------------|----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| 1          | 5485                      | 4.5                           | 11.60                         | N-80                   | LT&C                       | 5485                       | 5485                      | 3.875                         | 127.1                         |
| Run<br>Seq | Collapse<br>Load<br>(psi) | Collapse<br>Strength<br>(psi) | Collapse<br>Design<br>Factor  | Burst<br>Load<br>(psi) | Burst<br>Strength<br>(psi) | Burst<br>Design<br>Factor  | Tension<br>Load<br>(Kips) | Tension<br>Strength<br>(Kips) | Tension<br>Design<br>Factor   |
| 1          | 2849                      | 6350                          | 2.229                         | 2849                   | 7780                       | 2.73                       | 54                        | 223                           | 4.12 J                        |

Prepared Clinton Dworshak  
by: Utah Div. of Oil & MiningPhone: 801-538-5280  
FAX: 810-359-3940Date: May 2, 2005  
Salt Lake City, Utah**Remarks:**Collapse is based on a vertical depth of 5485 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** THE HOUSTON EXPLORATION COMPANY  
**WELL NAME & NUMBER:** Seep Springs 8-13-12-24  
**API NUMBER:** 43-047-36632  
**LOCATION:** 1/4, 1/4 SE/NE Sec: 13 TWP: 12S RNG: 24E 1969' FNL 642' FEL

**Geology/Ground Water:**

The Houston Ex. Co. proposes to set 2,000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 2,350 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 13. The surface formation at this location is the Green River Formation. The Green River Formation is made up of sands interbedded with shales and limestones. This can be considered a recharge area for the Green River Formation and should be protected. The proposed surface casing should adequately protect the recharge area and potentially useable aquifers.

**Reviewer:** Brad Hill **Date:** 05-09-05

**Surface:**

The surface right for this proposed well are owned by the Federal Government and administered by the BLM. The operator is responsible for obtaining all surface permits and rights-of-way from the BLM.

**Reviewer:** Brad Hill **Date:** 05-09-05

**Conditions of Approval/Application for Permit to Drill:**

None.



# -05 Houston Seep Springs 8-12-24

## Casing Schematic

Green River

Surface

TOC @ 0.

1230 TOC Tail

✓ w/11% washout

TOC @ 1674.

1750 Washout

Surface 2000. MD

8-5/8" MW 8.4 Frac 19.3

4-1/2" MW 10.

Production 5485. MD

BHP

$$(.052)(10)(5485) = 2852$$

Anticipate < 3,000

Gao

$$(.12)(5485) = 658$$

MASP = 2342

BOP - 3,000 ✓

Surf CSG - 4460

$$70\% = 3122$$

Max pressure @ shoe = 2234

Test To 2200# ✓

✓ Adequate Dred 5/9/05

3105 Mesaverde

3633 TOC Tail

✓ w/15% washout

**State of Utah****Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

May 9, 2005

Houston Exploration Company  
1100 Louisiana, Suite 2000  
Houston, TX 77002

Re: Seep Springs 8-13-12-24 Well, 1969' FNL, 642' FEL, SE NE, Sec. 13,  
T. 12 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36632.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt  
Acting Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
SITLA

Operator: Houston Exploration Company  
Well Name & Number Seep Springs 8-13-12-24  
API Number: 43-047-36632  
Lease: ML-49275

Location: SE NE Sec. 13 T. 12 South R. 24 East

### Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

The Houston Exploration Company *N2525*

3. ADDRESS OF OPERATOR:

1100 Louisiana, Ste 2000 CITY Houston

STATE TX

ZIP 77002

PHONE NUMBER:

(713) 830-6938

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See Attached List

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION



NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

Effective

9/1/05



SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:



ACIDIZE



ALTER CASING



CASING REPAIR



CHANGE TO PREVIOUS PLANS



CHANGE TUBING



CHANGE WELL NAME



CHANGE WELL STATUS



COMMINGLE PRODUCING FORMATIONS



CONVERT WELL TYPE



DEEPEN



FRACTURE TREAT



NEW CONSTRUCTION



OPERATOR CHANGE 9/1/05



PLUG AND ABANDON



PLUG BACK



PRODUCTION (START/RESUME)



RECLAMATION OF WELL SITE



RECOMPLETE - DIFFERENT FORMATION



REPERFORATE CURRENT FORMATION



SIDETRACK TO REPAIR WELL



TEMPORARILY ABANDON



TUBING REPAIR



VENT OR FLARE



WATER DISPOSAL



WATER SHUT-OFF



OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC Operator #N 2750  
475 17th Street, Ste 1500  
Denver, CO 80202

Utah State Bond #RLB0008031

Contact : Frank Hutto 303-350-5102

*Frank Hutto* VP. OPS  
Signature & Title

Date

*9/19/05*

NAME (PLEASE PRINT) Joanne Hresko

TITLE Vice President/General Manager Onshore

SIGNATURE *Joanne Hresko*

DATE 9/2/2005

(This space for State use only)

APPROVED *9/29/2005*

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**Request to Transfer Application or Permit to Drill**

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

|   |  |
|---|--|
| <b>Well name:</b>                               | Seep Springs 8-13-12-24                            |
| <b>API number:</b>                              | 4304736632   |
| <b>Location:</b>                                | Qtr-Qtr: SENE Section: 13 Township: 12S Range: 24E |
| <b>Company that filed original application:</b> | Houston Exploration Company                        |
| <b>Date original permit was issued:</b>         | 05/09/2005   |
| <b>Company that permit was issued to:</b>       | Houston Exploration Company                        |

| Check one                           | Desired Action:   |
|-------------------------------------|---|
| <input type="checkbox"/>            | <b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>  |
| <input type="checkbox"/>            | The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application. |
| <input checked="" type="checkbox"/> | <b>Transfer approved Application for Permit to Drill to new operator</b>  |
| <input type="checkbox"/>            | The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.   |

| Following is a checklist of some items related to the application, which should be verified.  | Yes                                 | No                                  |
|---|-------------------------------------|-------------------------------------|
| If located on private land, has the ownership changed?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> If so, has the surface agreement been updated?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?                           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?                                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?                                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Has the approved source of water for drilling changed?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0008031</u>  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) ALEX CAMPBELL Title VICE PRESIDENT OF LAND  
Signature [Signature] Date 09/19/2005  
Representing (company name) ENDURING RESOURCES, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

RECEIVED

SEP 26 2005

# TRANSFER OF OPERATOR

## NATURAL BUTTES FIELD, UINTAH COUNTY, UTAH DRILLED WELLS, TO BE OPERATED BY ENDURING RESOURCES, LLC

| API Well Number | Well Name              | Well Status | Qtr/Qtr | Section | Township-Range | FNL/FSL | FEL/FWL | Latitude | Longitude  |
|-----------------|------------------------|-------------|---------|---------|----------------|---------|---------|----------|------------|
| 43047355550000  | Bonanza #10D-18        | SI          | NWSE    | 18      | 9S-24E         | 1437 S  | 1800 E  | 40.03340 | -109.25282 |
| 43047355510000  | Bonanza #12D-12        | Producing   | NWSW    | 12      | 9S-23E         | 1556 S  | 867 W   | 40.04788 | -109.28055 |
| 43047356930000  | Bonanza #2D-27         | Producing   | NWNE    | 27      | 9S-24E         | 1064 N  | 1824 E  | 40.01123 | -109.19600 |
| 43047359080000  | Bonanza 10-11          | Producing   | NWSE    | 11      | 9S-23E         | 1991 S  | 1755 E  | 40.04866 | -109.29035 |
| 43047356920000  | Bonanza 10D-8          | SI          | NWSE    | 8       | 9S-24E         | 1510 S  | 1768 E  | 40.04789 | -109.23383 |
| 43047355520000  | Bonanza 1-11           | Producing   | NWNW    | 11      | 9S-23E         | 990 N   | 990 E   | 40.05431 | -109.29891 |
| 43047359290000  | Bonanza 12-20          | Drig        | NWSW    | 20      | 9S-25E         | 1998 S  | 825 W   | 40.01947 | -109.13150 |
| 43047-359210000 | Bonanza 12A-18         | Producing   | NWSW    | 18      | 9S-24E         | 2067 S  | 813 W   | 40.03430 | -109.26242 |
| 43047359090000  | Bonanza 14-12          | Evaluating  | SESW    | 12      | 9S-23E         | 505 S   | 2001 W  | 40.04455 | -109.27693 |
| 43047359940000  | Bonanza 4-18           | WOPL        | NWNW    | 18      | 9S-24E         | 706 N   | 682 W   | 40.04119 | -109.26288 |
| 43047-356220000 | Bonanza 4D-16          | Producing   | NWNW    | 16      | 9S-24E         | 1152 N  | 1209 W  | 40.04000 | -109.22349 |
| 43047358600000  | Bonanza 6-36           | Producing   | SENW    | 36      | 9S-24E         | 2217 N  | 2009 W  | 39.99336 | -109.16393 |
| 43047359120000  | Bonanza 6B-8           | Producing   | SENW    | 8       | 9S-24E         | 2017 N  | 1878 W  | 40.05213 | -109.24004 |
| 43047359200000  | Bonanza 8D-7           | Producing   | SENE    | 7       | 9S-24E         | 1992 N  | 477 E   | 40.05220 | -109.24845 |
| 43047359050000  | Buck Canyon 15-24      | P&A         | SW/SE   | 24      | 12S-21E        | 700 S   | 2139 E  | 39.75386 | -109.5134  |
| 43047348150000  | Cartwright 2-35        | TA          | NWNE    | 35      | 9S-24E         | 858 N   | 2104 E  | 39.99733 | -109.17882 |
| 43047332510000  | East Bench 11-16       | WOC         | NESW    | 16      | 11S-22E        | S S     | 1980 W  | 39.85889 | -109.46172 |
| 43047347560000  | Hoss 15                | Producing   | SWSE    | 20      | 9S-25E         | 1291 S  | 2088 E  | 40.01767 | -109.12236 |
| 43047348140000  | Little Joe 11-7        | TA          | NENE    | 7       | 9S-25E         | 710 N   | 644 E   | 40.05562 | -109.13601 |
| 43047361500000  | Rainbow 14-17          | WOC         | SESW    | 17      | 11S-24E        | 780 S   | 1726 W  | 39.85689 | -109.25731 |
| 43047361840000  | Rainbow 2-16           | WOC         | NWNE    | 16      | 11S-24E        | 837 N   | 2136 E  | 39.86708 | -109.23348 |
| 43047353630000  | Southman Canyon 10D-36 | Producing   | NWSE    | 36      | 9S-23E         | 1757 S  | 1650 E  | 39.98991 | -109.27148 |
| 43047353640000  | Southman Canyon 12D-36 | Producing   | NWSW    | 36      | 9S-23E         | 1518 S  | 1069 W  | 39.98977 | -109.28040 |
| 43047357700000  | Southman Canyon 14C-36 | Producing   | SESW    | 36      | 9S-23E         | 648 S   | 1717 W  | 39.98689 | -109.27716 |
| 43047357720000  | Southman Canyon 16C-36 | Producing   | SESE    | 36      | 9S-23E         | 542 S   | 736 E   | 39.98607 | -109.26912 |
| 43047356910000  | Southman Canyon 2D-30  | Producing   | NWNE    | 30      | 9S-24E         | 1171 N  | 1502 E  | 40.01111 | -109.25269 |
| 43047353650000  | Southman Canyon 2D-36  | Producing   | NWNE    | 36      | 9S-23E         | 960 N   | 1751 E  | 39.99711 | -109.27228 |
| 43047353610000  | Southman Canyon 4D-36  | Producing   | NWNW    | 36      | 9S-23E         | 1163 N  | 1137 W  | 39.99623 | -109.28012 |
| 43047353620000  | Southman Canyon 6D-36  | Producing   | SENW    | 36      | 9S-23E         | 2466 N  | 2271 W  | 39.99336 | -109.27635 |
| 43047357710000  | Southman Canyon 8C-36  | Producing   | SENE    | 36      | 9S-23E         | 2185 N  | 694 E   | 39.99358 | -109.26783 |
| 43047355590000  | Thurston Federal #12-1 | Producing   | SESW    | 12      | 12S-21E        | 692 S   | 1959 W  | 39.78280 | -109.51768 |

# TRANSFER OF OPERATOR BLM APPROVED WELLS #2

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

| Well Name                    | Q/Q              | Sec           | T              | R              | Lease Number         | Footages f/ Sec Lines - SL             | API Number              |
|------------------------------|------------------|---------------|----------------|----------------|----------------------|--|-------------------------|
| <del>Asphalt Wash 13-7</del> | <del>SW/SW</del> | <del>7</del>  | <del>11S</del> | <del>24E</del> | <del>UTU-73040</del> | <del>739' FSL &amp; 629' FWL</del>     | <del>43-047-36234</del> |
| Bonanza 16-18                | SE/SE            | 18            | 9S             | 24E            | UTU-73457            | 861' FSL & 715' FEL                    | 43-047-35992            |
| Bonanza 4-11                 | NW/NW            | 11            | 9S             | 23E            | UTU-74426            | 671' FNL & 729' FWL                    | 43-047-35968            |
| Bonanza 10D-12               | NW/SE            | 12            | 9S             | 23E            | UTU-74426            | 1,785' FSL & 1,855' FEL                | 43-047-35919            |
| Bonanza 12-11                | NW/SW            | 11            | 9S             | 23E            | UTU-74426            | 1748' FSL & 420' FWL                   | 43-047-35916            |
| Bonanza 14-18                | SE/SW            | 18            | 9S             | 24E            | UTU-73457            | 472' FSL & 2,010' FWL                  | 43-047-35993            |
| Bonanza 14A-8                | SE/SW            | 8             | 9S             | 24E            | UTU-73457            | 907' FSL & 2,298' FWL                  | 43-047-35952            |
| Bonanza 16A-27               | SE/SE            | 27            | 9S             | 24E            | UTU-80571            | 862' FSL & 581' FEL                    | 43-047-35923            |
| Bonanza 2-21                 | NW/NE            | 21            | 8S             | 25E            | UTU-73470            | 1,207' FNL & 1,541' FEL                | 43-047-35926            |
| Bonanza 3-8                  | NW/NW            | 8             | 9S             | 24E            | UTU-73457            | 573' FNL & 1,518' FWL                  | 43-047-35966            |
| Bonanza 6D-7                 | SE NW            | 7             | 9S             | 24E            | UTU-73457            | 2,310' FNL & 2,310' FWL                | 43-047-35690            |
| Bonanza 8-11                 | SE/NE            | 11            | 9S             | 23E            | UTU-74426            | 2,163 FNL & 615' FEL                   | 43-047-35907            |
| Bonanza 8B-27                | SE/NE            | 27            | 9S             | 24E            | UTU-80571            | 1,830' FNL & 735' FEL                  | 43-047-35923            |
| Buck Camp 4-25               | NW/NW            | 25            | 11S            | 22E            | UTU-74424            | 804 FNL & 695 FWL                      | 43-047-36276            |
| Buck Camp 4-26               | NW/NW            | 26            | 11S            | 22E            | UTU-74974            | 660' FNL & 660' FWL                    | 43-047-36274            |
| Buck Canyon 1-24             | NE/NE            | 24            | 12S            | 21E            | UTU-73440            | 488' FNL & 833' FEL                    | 43-047-35606            |
| <del>Buck Canyon 15-24</del> | <del>SW/SE</del> | <del>24</del> | <del>12S</del> | <del>21E</del> | <del>UTU-73440</del> | <del>700' FSL &amp; 2,139' FEL</del>   | <del>43-047-35905</del> |
| <del>Buck Canyon 7-24</del>  | <del>SW/NE</del> | <del>24</del> | <del>12S</del> | <del>21E</del> | <del>UTU-73440</del> | <del>2,041' FNL &amp; 2,171' FEL</del> | <del>43-047-35904</del> |
| <del>Buck Canyon 9-24</del>  | <del>NE/SE</del> | <del>24</del> | <del>12S</del> | <del>21E</del> | <del>UTU-73440</del> | <del>1784' FSL &amp; 855' FEL</del>    | <del>43-047-35903</del> |
| Rainbow 1-17                 | NE/NE            | 17            | 11S            | 24E            | UTU-73920            | 795' FNL & 586' FEL                    | 43-047-36151            |
| Southman Canyon #14-30       | SE/SW            | 30            | 9S             | 24E            | UTU-80571            | 740' FSL & 1,737' FWL                  | 43-047-35914            |
| Southman Canyon #4C-30       | NW/NW            | 30            | 9S             | 24E            | UTU-80571            | 676' FNL & 568' FWL                    | 43-047-35913            |
| Southman Canyon 12-30        | NW/SW            | 30            | 9S             | 24E            | UTU-80571            | 1,912' FSL & 513' FWL                  | 43-047-36104            |
| Southman Canyon 8-30         | SE/NE            | 30            | 9S             | 24E            | UTU-80571            | 1,875' FNL & 818' FEL                  | 43-047-35994            |
| Southman Canyon 9-30         | NE/SE            | 30            | 9S             | 24E            | UTU-80571            | 2,089' FSL & 831' FEL                  | 43-047-36019            |

\* 43047-35906  
• 43047-35953



# TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

#3

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

| Well Name                             | Q/Q             | Sec           | T              | R              | Lease Number        | Footages f/ Sec Lines - SL          | API Number              | FIELD                     | Well Type      |
|---------------------------------------|-----------------|---------------|----------------|----------------|---------------------|-------------------------------------|-------------------------|---------------------------|----------------|
| Asphalt Wash 11-16-11-24              | NESW            | 16            | 11S            | 24E            | ML-73921            | 2000 FSL & 1900 FWL                 | 43-047-37088            | Undesignated              | Gas            |
| Asphalt Wash 12-16-11-24              | NWSW            | 16            | 11S            | 24E            | ML-47080            | 2060 FSL & 839 FWL                  | 43-047-36873            | Undesignated              | Gas            |
| Asphalt Wash 14-16-11-24              | SESW            | 16            | 11S            | 24E            | ML-47080            | 537 FSL & 2140 FWL                  | 43-047-36876            | Undesignated              | Gas            |
| Asphalt Wash 3-16-11-24               | NENW            | 16            | 11S            | 24E            | ML-47080            | 825 FNL & 2116 FWL                  | 43-047-36886            | Undesignated              | Gas            |
| Asphalt Wash 4-16-11-24               | NWNW            | 16            | 11S            | 24E            | ML-47080            | 521 FNL & 766 FWL                   | 43-047-36885            | Undesignated              | Gas            |
| Asphalt Wash 5-16-11-24               | SWNW            | 16            | 11S            | 24E            | ML-47080            | 1880 FNL & 630 FWL                  | 43-047-37089            | Undesignated              | Gas            |
| Asphalt Wash 7-16-11-24               | SWNE            | 16            | 11S            | 24E            | ML-47080            | 1781 FNL & 1676 FEL                 | 43-047-36874            | Undesignated              | Gas            |
| Asphalt Wash 8-16-11-24               | SENE            | 16            | 11S            | 24E            | ML-47080            | 1905 FNL & 642 FEL                  | 43-047-36875            | Undesignated              | Gas            |
| Bonanza 14-20                         | SESW            | 20            | 9S             | 25E            | ML-45558            | 838' FSL & 1,922' FWL               | 43-047-35930            | Chapita Wells             | Gas            |
| Bonanza 4-20                          | NWNW            | 20            | 9S             | 25E            | ML-45558            | 933' FNL & 583 FWL                  | 43-047-35924            | Chapita Wells             | Gas            |
| Bonanza 4-29                          | NWNW            | 29            | 9S             | 25E            | ML-45559            | 600' FNL & 596' FWL                 | 43-047-36010            | Chapita Wells             | Gas            |
| Bonanza 4-36                          | NWNW            | 36            | 9S             | 24E            | ML-46527            | 258' FNL & 862' FWL                 | 43-047-35861            | Natural Buttes            | Gas            |
| Bonanza 6-20                          | SENE            | 20            | 9S             | 25E            | ML-45558            | 2,178' FNL & 1,839' FWL             | 43-047-35928            | Chapita Wells             | Gas            |
| <del>Buck Canyon 9-16-12-21</del>     | <del>NESE</del> | <del>16</del> | <del>12S</del> | <del>21E</del> | <del>ML-47085</del> | <del>1980' FSL &amp; 660' FEL</del> | <del>43-047-37091</del> | <del>Buck Canyon</del>    | <del>Gas</del> |
| Buck Canyon 11-16-12-21               | NESW            | 16            | 12S            | 21W            | ML-47085            | NA                                  | 43-047-37119            | Undesignated              | Gas            |
| Buck Canyon 13-16-21-21               | SWSW            | 16            | 21S            | 21W            | ML-47085            | NA                                  | 43-047-37118            | Undesignated              | Gas            |
| Buck Canyon 15-16-12-21               | SWSE            | 16            | 12S            | 21W            | ML-47085            | NA                                  | 43-047-37120            | Buck Canyon               | Gas            |
| East Bench 1-16                       | NENE            | 16            | 11S            | 22E            | ML-46911            | 660' FNL & 660' FEL                 | 43-047-36126            | Undesignated              | Gas            |
| East Bench 15-16                      | SWSE            | 16            | 11S            | 22E            | ML-46911            | 545' FSL & 1,848' FEL               | 43-047-36128            | Undesignated              | Gas            |
| East Bench 3-16                       | NENW            | 16            | 11S            | 22E            | ML-46911            | 832' FNL & 1,978' FWL               | 43-047-36125            | Undesignated              | Gas            |
| East Bench 7-16                       | SWNE            | 16            | 11S            | 22E            | ML-46911            | 1,909' FNL & 1,643' FEL             | 43-047-36127            | Undesignated              | Gas            |
| East Bench 12-16-11-22                | NWSW            | 16            | 11S            | 22E            | ML-46911            | 1862 FSL & 838 FEL                  | 43-047-37128            | Undesignated              | Gas            |
| East Bench 13-16-11-22                | SWSW            | 16            | 11S            | 22E            | ML-46911            | 880 FSL & 750 FWL                   | 43-047-37130            | Undesignated              | Gas            |
| East Bench 14-16-11-22                | SESW            | 16            | 11S            | 22E            | ML-46911            | 848 FSL & 1930 FWL                  | 43-047-37122            | Undesignated              | Gas            |
| East Bench 16-16-11-22                | SESE            | 16            | 11S            | 22E            | ML-46911            | 663 FSL & 1055 FEL                  | 43-047-37121            | Undesignated              | Gas            |
| East Bench 2-16-11-22                 | NWNE            | 16            | 11S            | 22E            | ML-46911            | 705 FNL & 2077 FEL                  | 43-047-37125            | Undesignated              | Gas            |
| East Bench 4-16-11-22                 | NWNW            | 16            | 11S            | 22E            | ML-46911            | 760 FNL & 860 FWL                   | 43-047-37126            | Undesignated              | Gas            |
| East Bench 5-16-11-22                 | SWNW            | 16            | 11S            | 22E            | ML-46911            | 1980 FNL & 758 FWL                  | 43-047-37129            | Undesignated              | Gas            |
| East Bench 6-16-11-22                 | SENE            | 16            | 11S            | 22E            | ML-46911            | 1887 FNL & 2138 FWL                 | 43-047-37124            | Undesignated              | Gas            |
| East Bench 8-16-11-22                 | SENE            | 16            | 11S            | 22E            | ML-46911            | 1880 FNL & 780 FEL                  | 43-047-37127            | Undesignated              | Gas            |
| East Bench 9-16-11-22                 | NESE            | 16            | 11S            | 22E            | ML-46911            | 2035 FSL & 1422 FEL                 | 43-047-37123            | Undesignated              | Gas            |
| <del>Gusher 6-2</del>                 | <del>SENE</del> | <del>2</del>  | <del>6S</del>  | <del>19E</del> | <del>ML-49144</del> | <del>1550 FNL &amp; 1825 FWL</del>  | <del>43-047-36963</del> | <del>Moffit Canal</del>   | <del>Oil</del> |
| Hanging Rock 1-32                     | NENE            | 32            | 11S            | 23E            | ML-47079            | 542' FNL & 690' FEL                 | 43-047-36309            | Undesignated              | Gas            |
| Little Pack Mountain 1-16             | NWNW            | 16            | 12S            | 20E            | ML-47082            | 609 FNL & 688 FEL                   | 43-047-36981            | Wildcat                   | Gas            |
| Little Pack Mountain 7-32             | SWNE            | 32            | 12S            | 20E            | ML-47083            | 1792 FNL & 1797 FEL                 | 43-047-36980            | Wildcat                   | Gas            |
| Rock House 12-36-10-23                | NWSW            | 36            | 10S            | 23E            | ML-47907            | 1844 FSL & 755 FWL                  | 43-047-36534            | Natural Buttes            | Gas            |
| Rock House 13-32-10-23                | SWSW            | 32            | 10S            | 23E            | ML-47063            | 564 FSL & 471 FWL                   | 43-047-36411            | Natural Buttes            | Gas            |
| Rock House 1-36-10-22                 | NENE            | 36            | 10S            | 22E            | ML-47061            | 620 FNL & 850 FEL                   | 43-047-36408            | Natural Buttes            | Gas            |
| Rock House 3-36-10-22                 | NENW            | 36            | 10S            | 22E            | ML-47061            | 934 FNL & 1783 FWL                  | 43-047-36407            | Natural Buttes            | Gas            |
| Rock House 4-32-10-23                 | SWNW            | 32            | 10S            | 23E            | ML-47063            | 1406 FNL & 562 FWL                  | 43-047-36412            | Natural Buttes            | Gas            |
| Rock House 7-36-10-22                 | SWNE            | 36            | 10S            | 22E            | ML-47061            | 2209 FNL & 2445 FEL                 | 43-047-36409            | Natural Buttes            | Gas            |
| <del>Rock House 9-32-10-23</del>      | <del>NESE</del> | <del>32</del> | <del>10S</del> | <del>23E</del> | <del>ML-47063</del> | <del>2008 FSL &amp; 4042 FEL</del>  | <del>43-047-36327</del> | <del>Natural Buttes</del> | <del>Gas</del> |
| Rockhouse #13-36                      | SWSW            | 36            | 10S            | 22E            | ML-46907            | 486 FSL & 844' FWL                  | 43-047-35902            | Natural Buttes            | Gas            |
| Rockhouse 16-2                        | SESE            | 2             | 11S            | 23E            | ML-47078            | 909' FSL & 748' FEL                 | 43-047-36152            | Rockhouse                 | Gas            |
| Seep Springs 10-13-12-24              | NWSE            | 13            | 12S            | 24E            | ML-49275            | 1950 FSL & 1802 FEL                 | 43-047-36634            | Undesignated              | Gas            |
| Seep Springs 1-13-12-24               | NENE            | 13            | 12S            | 24E            | ML-49275            | 753 FNL & 487 FEL                   | 43-047-36628            | Undesignated              | Gas            |
| Seep Springs 15-11-12-24              | SWSE            | 11            | 12S            | 24E            | ML-49274            | 829 FSL & 2178 FEL                  | 43-047-36626            | Undesignated              | Gas            |
| Seep Springs 15-13-12-24              | SWSE            | 13            | 12S            | 24E            | ML-49275            | 622 FSL & 1806 FEL                  | 43-047-36630            | Undesignated              | Gas            |
| Seep Springs 16-11-12-24              | SESE            | 11            | 12S            | 24E            | ML-49274            | 659 FSL & 466 FEL                   | 43-047-36625            | Undesignated              | Gas            |
| Seep Springs 16-13-12-24              | SESE            | 13            | 12S            | 24E            | ML-49275            | 686 FSL & 640 FEL                   | 43-047-36629            | Undesignated              | Gas            |
| Seep Springs 2-13-12-24               | NWNE            | 13            | 12S            | 24E            | ML-49275            | 465 FNL & 1807 FEL                  | 43-047-36627            | Undesignated              | Gas            |
| Seep Springs 7-13-12-24               | SWNE            | 13            | 12S            | 24E            | ML-49275            | FNL & FEL                           | 43-047-36631            | Undesignated              | Gas            |
| Seep Springs 8-13-12-24               | SENE            | 13            | 12S            | 24E            | ML-49275            | 1969 FNL & 642 FEL                  | 43-047-36632            | Undesignated              | Gas            |
| Seep Springs 9-13-12-24               | NESE            | 13            | 12S            | 24E            | ML-49275            | 663 FSL & 1960 FEL                  | 43-047-36633            | Undesignated              | Gas            |
| <del>Southman Canyon 11-36-9-23</del> | <del>NESW</del> | <del>36</del> | <del>9S</del>  | <del>23E</del> | <del>ML-47782</del> | <del>1965 FSL &amp; 1953 FWL</del>  | <del>43-047-36535</del> | <del>Natural Buttes</del> | <del>Gas</del> |
| <del>Southman Canyon 13-36-9-23</del> | <del>SWSW</del> | <del>36</del> | <del>9S</del>  | <del>23E</del> | <del>ML-47782</del> | <del>467 FSL &amp; 825 FWL</del>    | <del>43-047-36532</del> | <del>Natural Buttes</del> | <del>Gas</del> |

# TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

| Well Name                  | Q/Q  | Sec | T  | R   | Lease Number | Footages f/ Sec Lines - SL | API Number   | FIELD          | Well Type |
|----------------------------|------|-----|----|-----|--------------|----------------------------|--------------|----------------|-----------|
| Southman Canyon 1-36-9-23  | NENE | 36  | 9S | 23E | ML-47782     | 681 FNL & 496 FEL          | 43-047-36537 | Natural Buttes | Gas       |
| Southman Canyon 15-36-9-23 | SWSE | 36  | 9S | 23E | ML-47782     | 529 FSL & 1784 FEL         | 43-047-36529 | Natural Buttes | Gas       |
| Southman Canyon 3-36-9-23  | NENW | 36  | 9S | 23E | ML-47782     | 464 FNL & 1815 FWL         | 43-047-36530 | Natural Buttes | Gas       |
| Southman Canyon 5-36-9-23  | SWNW | 36  | 9S | 23E | ML-47782     | 2028 FNL & 499 FWL         | 43-047-36531 | Natural Buttes | Gas       |
| Southman Canyon 7-36-9-23  | SENE | 36  | 9S | 23E | ML-47782     | 2184 FNL & 1994 FEL        | 43-047-36536 | Natural Buttes | Gas       |
| Southman Canyon 9-36-9-23  | NESE | 36  | 9S | 23E | ML-47782     | 1978 FNL & 657 FEL         | 43-047-36533 | Natural Buttes | Gas       |

# TRANSFER OF OPERATOR BLM PENDING WELLS

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

| Well Name                    | Q/Q              | Sec          | T              | R              | Lease Number         | Footages f/ Sec Lines - SL         | API Number   |
|------------------------------|------------------|--------------|----------------|----------------|----------------------|------------------------------------|--------------|
| <del>Asphalt Wash 13-6</del> | <del>SW/SW</del> | <del>6</del> | <del>11S</del> | <del>24E</del> | <del>UTU-73919</del> | <del>400' FSL &amp; 550' FWL</del> |              |
| Asphalt Wash 10-9-11-24      | NW SE            | 9            | 11S            | 24E            | UTU-73920            | 1846 FSL & 1942 FEL                | 43-047-37071 |
| Asphalt Wash 11-9-11-24      | NE SW            | 9            | 11S            | 24E            | UTU-73920            | 1799 FSL & 1782 FWL                | 43-047-37073 |
| Asphalt Wash 12-6-11-24      | NW SW            | 6            | 11S            | 24E            | UTU-73919            | 1844 FSL & 683 FWL                 | 43-047-37066 |
| Asphalt Wash 14-6-11-24      | SE SW            | 6            | 11S            | 24E            | UTU-73919            | 704 FSL & 2123 FWL                 | 43-047-37067 |
| Asphalt Wash 14-9-11-24      | SE SW            | 9            | 11S            | 24E            | UTU-73920            | 460 FSL & 2115 FWL                 | 43-047-37076 |
| Asphalt Wash 15-9-11-24      | SW SE            | 9            | 11S            | 24E            | UTU-73920            | 804 FSL & 1990 FEL                 | 43-047-37074 |
| Asphalt Wash 16-9-11-24      | SE SE            | 9            | 11S            | 24E            | UTU-73920            | 826 FSL & 472 FEL                  | 43-047-37075 |
| Asphalt Wash 2-6-11-24       | NW NE            | 6            | 11S            | 24E            | UTU-73919            | 735 FNL & 1590 FEL                 | 43-047-37061 |
| Asphalt Wash 2-7-11-24       | NW NE            | 7            | 11S            | 24E            | UTU-73919            | 621 FNL & 2462 FEL                 | 43-047-37068 |
| Asphalt Wash 2-9-11-24       | NW NE            | 9            | 11S            | 24E            | UTU-73920            | 829 FNL & 1774 FEL                 | 43-047-37070 |
| Asphalt Wash 3-6-11-24       | NE NW            | 6            | 11S            | 24E            | UTU-73919            | 792 FNL & 1925 FWL                 | 43-047-37062 |
| Asphalt Wash 4-6-11-24       | NW NW            | 6            | 11S            | 24E            | UTU-73919            | 820 FNL & 1007 FWL                 | 43-047-37063 |
| Asphalt Wash 5-6-11-24       | SW NW            | 6            | 11S            | 24E            | UTU-73919            | 1738 FNL & 716 FWL                 | 43-047-37064 |
| Asphalt Wash 6-7-11-24       | SE NW            | 7            | 11S            | 24E            | UTU-73919            | 2013 FNL & 2241 FWL                | 43-047-37069 |
| Asphalt Wash 7-6-11-24       | SW NE            | 6            | 11S            | 24E            | UTU-73919            | 1616 FNL & 1615 FEL                | 43-047-37065 |
| Asphalt Wash 7-9-11-24       | SE NE            | 9            | 11S            | 24E            | UTU-73920            | 1883 FNL & 1854 FEL                | 43-047-37072 |
| Asphalt Wash 1-7-11-24       | NE NE            | 7            | 11S            | 24E            | UTU-73919            | 426 FNL & 270 FEL                  | 43-047-37084 |
| Asphalt Wash 4-7-11-24       | NW NW            | 7            | 11S            | 24E            | UTU-73919            | 856 FNL & 860 FWL                  | 43-047-37085 |
| Asphalt Wash 7-7-11-24       | SW NE            | 7            | 11S            | 24E            | UTU-73919            | 1909 FNL & 1893 FEL                | 43-047-37087 |
| Asphalt Wash 8-7-11-24       | SE NE            | 7            | 11S            | 24E            | UTU-73919            | 1998 FNL & 683 FEL                 | 43-047-37086 |
| Bonanza 4-7                  | NW/NW            | 7            | 9S             | 24E            | UTU-73457            | 809' FNL & 670' FWL                | 43-047-36017 |
| Bonanza 8-17                 | SW/NE            | 17           | 9S             | 24E            | UTU-73457            | 1865' FNL & 584' FEL               | 43-047-36041 |
| Bonanza 11-11-9-23           | NE SW            | 11           | 9S             | 23E            | UTU-74426            | 2036 FSL & 2043 FWL                | 43-047-36649 |
| Bonanza 11-12-9-23           | NE SW            | 12           | 9S             | 23E            | UTU-74426            | 1799 FSL & 1948 FWL                | 43-047-36655 |
| Bonanza 11-18-9-24           | NE SW            | 18           | 9S             | 24E            | UTU-73457            | 1785 FSL & 2133 FWL                | 43-047-36637 |
| Bonanza 12-23-9-24           | NW/SW            | 23           | 9S             | 24E            | UTU-81311            | 1882 FSL & 699 FWL                 | 43-047-36640 |
| Bonanza 12-35                | NW/SW            | 35           | 9S             | 24E            | UTU 73459            | 1374' FSL & 858' FWL               | 43-047-36020 |
| Bonanza 13-11-9-23           | SW SW            | 11           | 9S             | 23E            | UTU-74426            | 463 FSL & 773 FWL                  | 43-047-36650 |
| Bonanza 13-12-9-23           | SW SW            | 12           | 9S             | 23E            | UTU-74426            | 661 FSL & 656 FWL                  | 43-047-36528 |
| Bonanza 13-18-9-24           | SW SW            | 18           | 9S             | 24E            | UTU-73457            | 767 FSL & 583 FWL                  | 43-047-36638 |
| Bonanza 14-11-9-23           | SE SW            | 11           | 9S             | 23E            | UTU-74426            | 756 FSL & 1859 FWL                 | 43-047-36651 |
| Bonanza 14-23-9-24           | SE/SW            | 23           | 9S             | 24E            | UTU-81311            | 560 FSL & 1878 FWL                 | 43-047-36641 |
| Bonanza 15-11-9-23           | SW SE            | 11           | 9S             | 23E            | UTU-74426            | 660 FSL & 1980 FEL                 | 43-047-36652 |
| Bonanza 15-12-9-23           | SW SE            | 12           | 9S             | 23E            | UTU-74426            | 607 FSL & 1920 FEL                 | 43-047-36656 |
| Bonanza 15-18-9-24           | SW SE            | 18           | 9S             | 24E'           | UTU-73457            | 463 FSL & 2162 FEL                 | 43-047-36639 |
| Bonanza 16-12-9-23           | SE SE            | 12           | 9S             | 23E            | UTU-74426            | 855 FSL & 536 FEL                  | 43-047-36657 |
| Bonanza 16-8                 | SE/SE            | 8            | 9S             | 24E            | UTU-73457            | 588' FSL & 524' FEL                | 43-047-36101 |
| Bonanza 2-11-9-23            | NW NE            | 11           | 9S             | 23E            | UTU 74426            | 664 FNL & 1925 FEL                 | 43-047-36643 |
| Bonanza 2-12-9-23            | NW NE            | 12           | 9S             | 23E            | UTU-74426            | 743 FNL & 1962 FEL                 | 43-047-36527 |
| Bonanza 3-11-9-23            | NE NW            | 11           | 9S             | 23E            | UTU 74426            | 499 FNL & 1898 FWL                 | 43-047-36644 |
| Bonanza 3-12-9-23            | NE NW            | 12           | 9S             | 23E            | UTU-74426            | 734 FNL & 1866 FWL                 | 43-047-36524 |
| Bonanza 4-35                 | NW/NW            | 35           | 9S             | 24E            | UTU 73459            | 789' FNL & 807' FWL                | 43-047-35925 |
| Bonanza 5-11-9-23            | SW NW            | 11           | 9S             | 23E            | UTU 74426            | 1794 FNL & 609 FWL                 | 43-047-36645 |

# TRANSFER OF OPERATOR BLM PENDING WELLS

**PREVIOUS OPERATOR:** Houston Exploration Company

**NEW OPERATOR:** Enduring Resources, LLC

**EFFECTIVE DATE:** September 1st, 2005

| Well Name                   | Q/Q              | Sec           | T              | R              | Lease Number         | Footages f/ Sec Lines - SL           | API Number                |
|-----------------------------|------------------|---------------|----------------|----------------|----------------------|--------------------------------------|---------------------------|
| Bonanza 5-12-9-23           | SW NW            | 12            | 9S             | 23E            | UTU-74426            | 1996 FNL & 558 FWL                   | 43-047-36526              |
| Bonanza 5-18-9-24           | SW NW            | 18            | 9S             | 24E            | UTU-73457            | 2147 FNL & 662 FWL                   | 43-047-36635              |
| Bonanza 5-22                | SW/NW            | 22            | 8S             | 25E            | UTU-73470            | 1,932' FNL & 415' FWL                | 43-047-35918              |
| Bonanza 5-24-9-24           | SW/NW            | 24            | 9S             | 24E            | UTU-73458            | 2167 FNL & 714 FWL                   | 43-047-36642              |
| Bonanza 6-11-9-23           | SE NW            | 11            | 9S             | 23E            | UTU-74426            | 2069 FNL & 1801 FWL                  | 43-047-36646              |
| Bonanza 6-12-9-23           | SE NW            | 12            | 9S             | 23E            | UTU-74426            | 2114 FNL & 1871 FWL                  | 43-047-36525              |
| Bonanza 7-11-9-23           | SW NE            | 11            | 9S             | 23E            | UTU-74426            | 2060 FNL & 2134 FEL                  | 43-047-36647              |
| Bonanza 7-12-9-23           | SW NE            | 12            | 9S             | 23E            | UTU-74426            | 2065 FNL & 2159 FEL                  | 43-047-36653              |
| Bonanza 8-35                | SENE             | 35            | 9S             | 24E            | UTU-73459            | 1987' FNL & 909' FEL                 | 43-047-36105              |
| Bonanza 9-11-9-23           | NE SE            | 11            | 9S             | 23E            | UTU-74426            | 2008 FSL & 553 FEL                   | 43-047-36648              |
| Bonanza 9-12-9-23           | NE SE            | 12            | 9S             | 23E            | UTU-74426            | 1980 FSL & 660 FEL                   | 43-047-36654              |
| Bonanza 9-18-9-24           | NE SE            | 18            | 9S             | 24E            | UTU-73457            | 2009 FSL & 852 FEL                   | 43-047-36636              |
| Bonanza 9-22                | NE/SE            | 22            | 9S             | 24E            | UTU-75118            | 1,969' FSL & 495' FEL                | 43-047-36102              |
| East Bench 9-20             | NE/SE            | 20            | 11S            | 22E            | UTU-73905            | 2,170' FSL & 472' FEL                | 43-047-36275              |
| Rock House 12-30-10-23      | NE SW            | 30            | 10S            | 23E            | UTU-76281            | 2320 FSL & 1980 FWL                  | 43-047-36548              |
| Rock House 12-31-10-23      | NW SW            | 31            | 10S            | 23E            | UTU-76281            | 1900 FSL & 460 FWL                   | 43-047-36552              |
| Rock House 13-30-10-23      | SW SW            | 30            | 10S            | 23E            | UTU-76281            | 553 FSL & 573 FWL                    | 43-047-36549              |
| Rock House 14-31-10-23      | SE SW            | 31            | 10S            | 23E            | UTU-76281            | 860 FSL & 1890 FWL                   | 43-047-36553              |
| Rock House 3-31-10-23       | NE NW            | 31            | 10S            | 23E            | UTU-76281            | 854 FNL & 1940 FWL                   | 43-047-36551              |
| Rock House 5-30-10-23       | SW NW            | 30            | 10S            | 23E            | UTU-76281            | 1858 FNL & 703 FWL                   | 43-047-36547              |
| Rock House 5-31-10-23       | SW NW            | 31            | 10S            | 23E            | UTU-76281            | 2055 FNL & 2097 FWL                  | 43-047-36550              |
| Rock House 6-31-10-23       | SE NW            | 31            | 10S            | 23E            | UTU-76281            | 2059 FNL & 2111 FWL                  | 43-047-36554              |
| <del>Rockhouse #12-30</del> | <del>NW/SW</del> | <del>30</del> | <del>10S</del> | <del>23E</del> | <del>UTU-80571</del> | <del>1,980' FSL &amp; 660' FWL</del> | <del>43-047-36018</del> X |
| Rockhouse 13C-31            | SW/SW            | 31            | 10S            | 23E            | UTU-76281            | 135' FSL & 365' FWL                  | 43-047-35911              |
| Rockhouse 4D-30             | NW NW            | 30            | 10S            | 23E            | UTU-76281            | 1,116 FNL & 1,135' FWL               | 43-047-35882              |
| Rockhouse 4D-31             | NW NW            | 31            | 10S            | 23E            | UTU-76281            | 990' FNL & 990' FWL                  | 43-047-35807              |
| Southman Canyon 12-3-11-24  | NW/SW            | 3             | 11S            | 24E            | UTU-73918            | 1,950' FSL & 514' FWL                | 43-047-36272              |
| Southman Canyon 12-30-10-24 | NW/SW            | 30            | 10S            | 24E            | UTU-65371            | 2,118' FSL & 502' FWL                | 43-047-36238              |
| Southman Canyon 13-30       | SW/SW            | 30            | 9S             | 24E            | UTU-80571            | 765' FSL & 303' FWL                  | 43-047-36018              |
| Southman Canyon 16-31-10-24 | SE/SE            | 31            | 10S            | 24E            | UTU-65371            | 621' FSL & 575' FEL                  | 43-047-36270              |
| Southman Canyon 4-30-10-24  | NW/NW            | 30            | 10S            | 24E            | UTU 65371            | 649' FNL & 607' FWL                  | 43-047-36237              |
| Southman Canyon 5-19-10-24  | SW/NW            | 19            | 10S            | 24E            | UTU-65371            | 1,978' FNL & 855' FWL                | 43-047-36236              |
| Southman Canyon 6-30        | SE/NW            | 30            | 9S             | 24E            | UTU-80571            | 2,015' FNL & 2,581' FWL              | 43-047-36103              |

X Duplicate API -  
Different well name

**OPERATOR CHANGE WORKSHEET****ROUTING**

1. DJJ

2. CDW

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

**9/1/2005****FROM: (Old Operator):**

N2525-The Houston Exploration Company  
1100 Louisiana, Suite 2000  
Houston, TX 77002

Phone: 1-(713) 830-6938

**TO: ( New Operator):**

N2750-Enduring Resources, LLC  
475 17th Street, Suite 1500  
Denver, CO 80202

Phone: 1-(303) 350-5102

**CA No.****Unit:****WELL(S)**

| NAME                     | SEC | TWN  | RNG  | API NO     | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |   |
|--------------------------|-----|------|------|------------|-----------|------------|-----------|-------------|---|
| SOUTHMAN CYN 5-36-9-23   | 36  | 090S | 230E | 4304736531 |           | State      | GW        | APD         | C |
| SOUTHMAN CYN 13-36-9-23  | 36  | 090S | 230E | 4304736532 |           | State      | GW        | APD         | C |
| SOUTHMAN CYN 9-36-9-23   | 36  | 090S | 230E | 4304736533 |           | State      | GW        | APD         | C |
| SOUTHMAN CYN 11-36-9-23  | 36  | 090S | 230E | 4304736535 |           | State      | GW        | APD         | C |
| SOUTHMAN CYN 7-36-9-23   | 36  | 090S | 230E | 4304736536 |           | State      | GW        | APD         | C |
| SOUTHMAN CYN 1-36-9-23   | 36  | 090S | 230E | 4304736537 |           | State      | GW        | APD         | C |
| ROCK HOUSE 12-36-10-22   | 36  | 100S | 220E | 4304736534 |           | State      | GW        | APD         | C |
| ASPHALT WASH 12-16-11-24 | 16  | 110S | 240E | 4304736873 |           | State      | GW        | APD         | C |
| ASPHALT WASH 7-16-11-24  | 16  | 110S | 240E | 4304736874 |           | State      | GW        | APD         | C |
| ASPHALT WASH 8-16-11-24  | 16  | 110S | 240E | 4304736875 |           | State      | GW        | APD         | C |
| ASPHALT WASH 14-16-11-24 | 16  | 110S | 240E | 4304736876 |           | State      | GW        | APD         | C |
| ASPHALT WASH 4-16-11-24  | 16  | 110S | 240E | 4304736885 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 16-11-12-24 | 11  | 120S | 240E | 4304736625 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 15-11-12-24 | 11  | 120S | 240E | 4304736626 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 2-13-12-24  | 13  | 120S | 240E | 4304736627 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 1-13-12-24  | 13  | 120S | 240E | 4304736628 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 16-13-12-24 | 13  | 120S | 240E | 4304736629 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 15-13-12-24 | 13  | 120S | 240E | 4304736630 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 7-13-12-24  | 13  | 120S | 240E | 4304736631 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 8-13-12-24  | 13  | 120S | 240E | 4304736632 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 9-13-12-24  | 13  | 120S | 240E | 4304736633 |           | State      | GW        | APD         | C |
| SEEP SPRINGS 10-13-12-24 | 13  | 120S | 240E | 4304736634 |           | State      | GW        | APD         | C |

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/26/20052. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/26/20053. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 9/29/20054. Is the new operator registered in the State of Utah: YES Business Number: 5771233-01615. If **NO**, the operator was contacted on:

6a. (R649-9-2) Waste Management Plan has been received on:

Requested 9/29/05

6b. Inspections of LA PA state/fee well sites complete on:

n/a

6c. Reports current for Production/Disposition & Sundries on:

9/29/2005

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on:                      not yet

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on:                      n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:                      n/a

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on:                      9/29/2005

2. Changes have been entered on the Monthly Operator Change Spread Sheet on:                      9/29/2005

3. Bond information entered in RBDMS on:                      9/30/2005

4. Fee/State wells attached to bond in RBDMS on:                      9/30/2005

5. Injection Projects to new operator in RBDMS on:                      n/a

6. Receipt of Acceptance of Drilling Procedures for APD/New on:                      9/26/2005

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number:                      UTB000173

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number:                      n/a

**FEE & STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number                      RLB0008031

2. The FORMER operator has requested a release of liability from their bond on:                      n/a  
The Division sent response by letter on:                     

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on:                      n/a

**COMMENTS:**

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
Enduring Resources, LLC

3. ADDRESS OF OPERATOR:  
475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 573-1222

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1969' FNL & 642' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 13 12S 24E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-49275

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
Seep Springs 8-13-12-24

9. API NUMBER:  
4304736632

10. FIELD AND POOL, OR WILDCAT:


11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |  |  |
|--|---|---|--|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION                 |  |
|  | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                      |  |
|  | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON                           |  |
|  | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                                 |  |
|  | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                                 |  |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion: _____              | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                                |  |
|  | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                                |  |
|  | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: Change well name and number |  |
|  | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE WELL NAME AND NUMBER:

FROM: Seep Springs 8-13-12-24  
TO: Seep Springs 12-24-42-13

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist  
SIGNATURE  DATE 11/10/2005

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NOV 14 2005

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>ML-49275  |
| 2. NAME OF OPERATOR:<br>Enduring Resources, LLC   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br>n/a         |
| 3. ADDRESS OF OPERATOR:<br>475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202                         |  | 7. UNIT or CA AGREEMENT NAME:<br>n/a                 |
| PHONE NUMBER:<br>(303) 350-5114   |  | 8. WELL NAME and NUMBER:<br>Seep Springs 12-24-42-13 |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 1969' FNL - 642' FEL  |  | 9. API NUMBER:<br>4304736632                         |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 13 12S 24E S  |  | 10. FIELD AND POOL, OR WILDCAT:<br>Wildcat           |
| COUNTY: Uintah  |  | STATE: UTAH  |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |   |   |  |
|---|---|---|--|
| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
| <input checked="" type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>4/12/2006 | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION               |
|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                    |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON                         |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                               |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                               |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:                           | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                              |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                              |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: Request for APD Extension |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Still waiting for BLM r-o-w to access Section 13.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill ....

FROM: 5-9-2006  
TO: 5-9-2007

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 5-17-06  
By: [Signature]

5-1-06  
[Signature]

|  |                                       |
|--|---------------------------------------|
| NAME (PLEASE PRINT) Alvin R. (Al) Arlian | TITLE Landman - Regulatory Specialist |
| SIGNATURE [Signature]                    | DATE 4/12/2006                        |

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RECEIVED  
APR 13 2006



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304736632  
**Well Name:** Seep Springs 12-24-42-13  
**Location:** 1969' FNL - 642' FEL, SENE Sec 13-12S-24E  
**Company Permit Issued to:** The Houston Exploration Company  
**Date Original Permit Issued:** 5/9/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
\_\_\_\_\_  
Signature

4/12/2006

\_\_\_\_\_  
Date

**Title:** Landman - Regulatory Specialist

**Representing:** Enduring Resources, LLC

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APR 13 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
Enduring Resources, LLC

3. ADDRESS OF OPERATOR:  
475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:  
(303) 350-5114

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1969' FNL - 642' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 13 12S 24E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
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|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                    |
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|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                              |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: Request for APD Extension |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

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Still waiting for BLM r-o-w to access Section 13.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill ....

FROM: 4/17/2007  
TO: 4/17/2008

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 04-16-07  
By: [Signature]

4/16/07  
pm

NAME (PLEASE PRINT) Evette Bissett

TITLE Regulatory Affairs Assistant

SIGNATURE

[Signature]

DATE 4/10/2007

(This space for State use only)

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APR 16 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304736632  
**Well Name:** Seep Springs 12-24-42-13  
**Location:** 1969' FNL - 642' FEL, SENE Sec 13-12S-24E  
**Company Permit Issued to:** The Houston Exploration Company  
**Date Original Permit Issued:** 5/9/2005

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Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Gutttle Bessitt  
Signature

4/10/2007  
Date

Title: Regulatory Affairs Assistant

Representing: Enduring Resources, LLC

**RECEIVED**

**APR 16 2007**

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 30, 2008

Al Arlian  
Enduring Resources LLC  
475 17<sup>TH</sup> Street, Suite 1500  
Denver, CO 80202

Re: APD Rescinded – Seep Springs 12-24-42-13 Sec. 13, T. 12S, R. 24E  
Uintah County, Utah API No. 43-047-36632

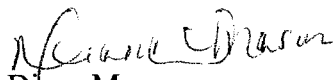
Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on May 9, 2005. On April 17, 2006 and on April 16, 2007, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill this well is hereby rescinded, effective April 16, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
SITLA, Ed Bonner

